



COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

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RAYMOND G. FORTNER, JR.
County Counsel

October 24, 2008

Agenda No. 58
10/21/08

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012


**Re: Agreement Between the County of Los Angeles and Plains
Exploration & Production Company**

Dear Supervisors:

Your Board instructed our office to prepare an agreement between the County of Los Angeles and Plains Exploration & Production Company ("PXP") in which PXP would agree to delay seeking permits until the Baldwin Hills Community Standards District ("CSD") takes effect and waiving its right to file a facial challenge to the CSD. Enclosed is that agreement for your consideration and approval.

Very truly yours,

RAYMOND G. FORTNER, JR.
County Counsel

By 
ELAINE M. LEMKE
Principal Deputy County Counsel
Property Division

APPROVED AND RELEASED:


LEELA A. KAPUR
Chief Deputy

EML:vn
Enclosure

c: Bruce W. McClendon, Director
Department of Regional Planning

AGREEMENT REGARDING INTERIM ORDINANCE LIMITATIONS

This agreement (hereinafter "Agreement") is entered into as of October __, 2008, by and between Plains Exploration & Production Company (hereinafter "PXP") and the County of Los Angeles (hereinafter "County").

PXP and the County have entered into this Agreement in light of the following facts:

1. PXP operates the Inglewood Oil Field, which is located in the Baldwin Hills Zoned District of the unincorporated County of Los Angeles (hereinafter "Baldwin Hills Oil Field").
2. The County Board of Supervisors certified the Final Environmental Impact Report for the Baldwin Hills Community Standards District (hereinafter "CSD") and has instructed the County Department of Regional Planning and the Office of County Counsel to prepare a final ordinance establishing the Baldwin Hills Community Standards District. The Board is scheduled to consider that final ordinance on October 28, 2008.
3. Under an Interim Urgency Ordinance, PXP was prohibited from drilling new wells and deepening of existing wells, with limited exceptions. That Interim Urgency Ordinance expired in June 2008 and no further extensions may be implemented.
4. Since June 2008, PXP voluntarily agreed to continue to abide by the prohibition on drilling or re-drilling. PXP's informal agreement ended on October 21, 2008.
5. The parties agree that it is in the interest of both PXP and the County for the limitations on oil well drilling and re-drilling at the Baldwin Hills Oil Field in the unincorporated area of the County to remain in effect until the ordinance establishing the CSD becomes effective.
6. The parties further agree that litigation making a facial challenge to the CSD would be counterproductive.

NOW, THEREFORE, in view of the foregoing, and in consideration of the mutual agreements contained herein, PXP and the County agree as follows:

A. PXP agrees not to submit any applications for new permits for drilling or re-drilling of wells in the Baldwin Hills Oil Field to the California Department of Oil, Gas and Geothermal Resources or to the County until the effective date of the ordinance establishing the Baldwin Hills CSD if said ordinance is approved on October 28, 2008; this portion of the Agreement shall expire and be of no further force and effect at the time the CSD applicable to the Baldwin Hills Oil Field takes effect or on December 1, 2008, which ever occurs earliest;

B. If the Board approves the ordinance establishing the Baldwin Hills CSD in the form submitted by County Counsel pursuant to the direction of the Board as set forth in recital number 2 above on October 28, 2008, PXP further agrees to waive its right to bring a facial challenge to the Baldwin Hills CSD established by the ordinance. In addition, in the event the

ordinance is modified as a result of a legal challenge by third parties, this waiver shall become null and void.

C. At the same time, PXP reserves any rights it may have to challenge any actions by the County in implementation or administration of the CSD after its approval;

D. This agreement shall be interpreted and enforced pursuant to the laws of the State of California;

E. This agreement may only be modified by a written instrument executed by both parties hereto;

F. Each party hereto warrants and represents that it was not coerced nor were they under duress to execute this agreement, and executed the same of their own free will, and that those signing on behalf of their respective parties have the authority to do so; and

G. This agreement contains the entire understanding of the parties related to the interests, obligations, and rights in connection with the subject matter set forth herein.

IN WITNESS WHEREOF, the County and PXP have caused this Agreement to be executed below:

Dated: October 28, 2008

COUNTY OF LOS ANGELES

ATTEST: SACHI A. HAMAI

EXECUTIVE OFFICER

CLERK OF THE BOARD OF SUPERVISORS



Yvonne B. Burke

The Honorable Yvonne B. Burke,
Chair, County Board of Supervisors

By *[Signature]*, Deputy

Dated: October 27, 2008

PLAINS EXPLORATION AND
PRODUCTION COMPANY

[Signature]

Steven P. Rusch
Vice-President, Plains Exploration & Production
Company

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By *[Signature]*
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By *[Signature]*
Deputy



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

24 OCT 28 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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